

UPDATED

PUBLIC HEARING NOTICE PROPOSED THREE-YEAR RATES FOR WATER SERVICES

Esta información es sobre aumentos de tarifas de agua. Si tiene alguna pregunta, favor de llamar al 650-330-6750.

The City is proposing to increase rates for customers in Menlo Park Municipal Water (MPMW) effective on July 1, 2026, with annual adjustments on or after each July 1 through July 1, 2028.

This notice provides information about proposed increases and how the public can participate in the process. During the public hearing, the City Council will consider all public comments, including written protests and objections submitted by property owners and customers.

The City Council will hold a public hearing on the proposed rate increases on May 12. However, staff will recommend that City Council receive and consider comments as part of the public record but take no final action on the proposed rates. Staff will recommend that the public hearing be continued to June 9 and recommend that City Council take action on the proposed rates. The reason for continuance from May 12 to June 9 is due to errors with the mailing addresses used for the public hearing notice.

For information on the proposed rates, view the Water Rate Study (Rate Study) online at: menlopark.gov/waterrates.

WHY THE NEED TO CONSIDER RATE INCREASES?

- **Estimated wholesale rates** – The proposed rates include estimated costs of wholesale water purchased by the City from the San Francisco Public Utilities Commission (SFPUC) which is the highest Operational and Maintenance (O&M) cost to the City. If the actual costs charged by SFPUC exceed the City's estimates, the City is authorized to incorporate those increased costs as a pass-through portion of the annual adjustments to rates.
- **Recycled water** – The West Bay Sanitary District is in the process of constructing the Bayfront Recycled Water Project, a treatment facility that will serve recycled water in the Bayfront as part of the first phase. The Study accounts for a loss in potable water demand and revenue as recycled water is introduced in the City and used by buildings that are dual plumbed (used for toilet flushing), irrigation and industrial purposes beginning in mid-2027.
- **Capital infrastructure needs** – The 2018 Water System Master Plan (WSMP) identifies significant capital improvements over the next 20 years to address infrastructure needs.

HOW TO PROTEST THE PROPOSED WATER RATES

Proposition 218 allows the owner of record or customer of a parcel that receives water service to submit a written protest at or before the close of the **Public Hearing on June 9, 2026**. If the person signing the protest is not listed as the owner on the last equalized assessment roll for San Mateo County, the protest must be accompanied by written evidence that the signer owns the property. In rental situations, if a

PUBLIC HEARING

Tuesday, June 9, 2026, 6 p.m.

City of Menlo Park - Council Chambers
751 Laurel St., Menlo Park, CA 94025
Visit menlopark.gov/agendas

customer is the account holder for water service, the customer also has the right to submit a written protest for the property. Only one protest per parcel will be counted. If the City receives valid written protests on behalf of a majority of the parcels that receive water service, the increased water rates will not be adopted.

All Written Protests Must:

- Be in writing with the printed name and an original signature from the property owner of record or customer directly liable for the payment of the fee/account holder. (Spoken, telephonic or emailed protests will not be counted as a "written protest.")
- Identify the parcel for which the protest is filed, by street address or Assessor's Parcel Number (APN).
- State that the signer opposes the proposed water rates.
- A protest must be mailed or hand delivered in paper form. Email, fax, telephone and oral protests of any kind will not be counted. Mailed protests received after the close of the public hearing will not be counted, even if they were postmarked earlier.

A protest may be:

- (a) Mailed to the City of Menlo Park. The protest must be received (not postmarked) by the date and time of the public hearing.
Attn: City Clerk - Water Rate Protest
701 Laurel St., Menlo Park, CA 94025
- Or (b) Delivered to the same address during regular business hours, Monday through Thursday 7:30 a.m. to 5:30 p.m. and every other Friday 8 a.m. to 5 p.m.
- Or (c) Delivered to the City Clerk at the Menlo Park City Council Chambers located at 751 Laurel St., Menlo Park, CA before the close of the public hearing.

For more information, review the report and presentation from the City Council's March 10, 2026 meeting online at menlopark.gov/agendas or menlopark.gov/waterrates.

HOW TO SUBMIT A WRITTEN OBJECTION UNDER AB 2257

Any property owner or customer who wishes to file a timely written objection to satisfy the requirement to exhaust administrative remedies under AB 2257 (Government Code Sections 53759.1 and 53759.2) must meet the following procedural and substantive requirements:

- Be in writing with the printed name and an original signature from the property owner of record or customer directly liable for the payment of the fee/account holder. Emails will require a digital signature and must be sent to city.clerk@menlopark.gov. A digital signature may include a scanned PDF or photo of a handwritten signature, a digital stylus pen (e.g., Apple Pencil)



City of Menlo Park
701 Laurel St.
Menlo Park, CA 94025

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PERMIT #3335

signature, or any other form of electronic signature acceptable to the City.

- Identify the parcel for which the written objection is filed, by street address or Assessor's Parcel Number (APN).
- Written objections must include the following information:
 - A statement that your communication constitutes a written objection.
 - A description of the nature of the written objection, with sufficient specificity to allow the City to respond in writing. The objection must state the specific facts and grounds for concerns with the proposed water rates and why the rates do not comply with the law, and more specifically, Proposition 218. The objection should include the desired resolution or outcome.
 - A statement that the proposed water rates violate Proposition 218 without an explanation as to the basis of your claim is not sufficient to constitute a valid written objection. See Utility Rate Setting Procedures, Section 3(c), at menlopark.gov/waterrates.
- Be received (not postmarked) by the City Clerk **by no later than 4 p.m., May 25, 2026** and addressed to:

City of Menlo Park:
Attn: City Clerk – Water Rates Written Objection
701 Laurel St. Menlo Park, CA 94025
Or emailed to city.clerk@menlopark.gov



Escanee el código QR para leer en español o visita menlopark.gov/waterrates

LIMITATIONS FOR CHALLENGING PROPOSED RATES

You are hereby notified that, in order to file a judicial action or legal proceeding to challenge the proposed rates described in this Notice, you must file a timely written objection, and you must commence the action or proceeding within 120 days of the City's approval of the rates. Failure to submit a timely written legal objection bars any right to challenge the proposed rates through a judicial action or legal proceeding. (Government Code Section 53759.1(b).)

There is a 120-day statute of limitations for judicially challenging the rates set forth in this Notice that runs from the date of the City action to approve the rates, and any legal action is limited to the issues raised in a timely legal objection. (Are Government Code Section 53759.)

HOW ARE WATER BILLS CALCULATED?

An average single-family home using 10 ccf of water per month is currently billed \$130.41 at fiscal year 2025-26 rates. With the proposed fiscal year 2026-27 rates, the same single-family home will see a \$20.23 increase. A ccf is 748 gallons (one hundred cubic-feet) of water. The table provides an example of the calculations.

WATER CONSERVATION PROGRAMS

Water is a precious resource that is used every day. About 75% of the Earth's surface is covered by water, but only 1% can be used for drinking because most water found on the planet contains salt. The limited availability of water combined with population and economic growth requires good conservation practices to ensure adequate supplies are available for future use.

That's why MPMW has made water conservation a top priority by offering rebate and incentive programs to residential and commercial customers.

For a list of conservation rebates and incentives offered to customers, visit menlopark.gov/waterconservation.

RATE ASSISTANCE PROGRAM

In 2020, the City Council approved a rate assistance program to help those facing financial hardship. Qualified households may receive a 50% discount on the fixed meter charge on their monthly water bill from MPMW. This program is subject to annual renewal by City Council.

The program requires customers to:

- Enroll in PG&E California Alternative Rates for Energy (CARE) program to receive discounts on their gas and electricity bills if not currently enrolled.
- Must be an account holder to receive the discount

Learn more at menlopark.gov/rateassistance.



RATE STUDY

- For more details on the Water Rate Study and exact fees visit menlopark.gov/waterrates.
- Call 650-330-6750
- Email water@menlopark.gov

PROPOSED RATES EXAMPLE FOR AVERAGE SINGLE-FAMILY HOME						
Description	Current rates fiscal year 2025-26			Proposed rates fiscal year 2026-27		
	ccf	Unit cost	Monthly cost	ccf	Unit cost	Monthly cost
5/8" fixed meter charge			\$33.53			\$36.76
Tier 1: 0-6 ccf	6	\$6.18	\$37.08	N/A	N/A	N/A
Tier 2: 7-12 ccf	4	\$8.30	\$33.20	N/A	N/A	N/A
Tier 3: Over 12 ccf	0	\$10.56	0.00	N/A	N/A	N/A
All usage – Uniform for all ¹	N/A	N/A	N/A	10	\$9.39	\$93.90
Water capital surcharge	10	\$1.92	\$19.20	10	\$2.00	\$20.00
SFPUC Pass-through rate ²	10	\$0.74	\$7.40	TBD	TBD	TBD
MONTHLY TOTAL			\$130.41			\$150.66

1. The proposed water consumption charges to all customer classes will change from tiered rates to uniform rates for all.
2. To be determined and calculated on an annual basis.

PROPOSED DROUGHT SURCHARGE				
Required Water Reduction %		Drought Surcharge		
Stage 1: Up to 10%	All Usage – Uniform for all	\$0.31	\$0.31	\$0.35
Stage 2: Up to 20%	All Usage – Uniform for all	\$0.69	\$0.71	\$0.78
Stage 3: Up to 30%	All Usage – Uniform for all	\$1.18	\$1.21	\$1.33
Stage 4: Up to 40%	All Usage – Uniform for all	\$1.84	\$1.88	\$2.07
Stage 5: Up to 50%	All Usage – Uniform for all	\$2.75	\$2.81	\$3.10
Stage 6: Greater than 50%	All Usage – Uniform for all	\$4.13	\$4.21	\$4.63

1. The drought rates represent the max rate per stage. The actual drought surcharge will be calculated based on the actual water conservation target that must be met.
2. Stage 6 represents water conservation greater than 50% see rate study. The drought surcharge shown is for 60% reduction.

DROUGHT SURCHARGES

MPMW is proposing a temporary drought surcharge that corresponds to the water shortage. MPMW has a six-stage Water Shortage Contingency Plan that identifies water restrictions required to meet the State Water Resources Control Board's regulations. In state mandated restrictions, MPMW will impose a drought surcharge to help recover costs of service and remain financially stable during periods of drought due to consumption decreases.

WATER RATES

The table below provides a breakdown of the proposed water rates from FY 2027 to FY 2029. The City will mail a written notice to all customers at least 30 days prior to the effective date of any annual adjustment in rates, including any pass-through charge for wholesale water costs.

PROPOSED WATER RATES (Effective July 1 every year)				
Customer Class	Existing - FY 2026	FY 2027	FY 2028	FY 2029
Monthly Fixed Meter Charge (\$/Month)				
5/8" or 3/4"	33.53	36.76	38.32	40.04
1"	55.87	61.26	63.86	66.73
1-1/2"	111.77	122.52	127.73	133.48
2"	178.83	196.03	204.36	213.56
3"	357.65	392.07	408.73	427.12
4"	558.83	612.60	638.64	667.38
6"	1,117.66	1,225.21	1,277.28	1,334.76
8"	1,788.26	1,960.33	2,043.64	2,135.60
10"	2,570.60	2,817.98	2,937.74	3,069.94
12"	4,805.85	5,268.39	5,492.30	5,739.45
Water Consumption Charge (\$/CCF)				
Tier 1 (0-6 CCF)	6.18	N/A	N/A	N/A
Tier 2 (7-12 CCF)	8.30	N/A	N/A	N/A
Tier 3 (Over 12 CCF)	10.56	N/A	N/A	N/A
All Usage – Uniform for all*		9.39	9.79	10.23
*The proposed water consumption charges to all customer classes will change from tiered rates to uniform rates for all.				
Capital Facility Surcharge (\$/CCF)				
All Usage	1.92	2.00	2.09	2.18
Monthly Unmetered Fire Fixed Charges (\$/Month)				
1-1/2"	36.75	47.44	49.46	51.69
2"	58.80	75.90	79.13	82.69
3"	117.58	151.80	158.25	165.37
4"	183.72	237.19	247.27	258.40
6"	367.43	474.38	494.54	516.79
8"	587.88	759.00	791.26	826.87
10"	845.09	1,091.07	1,137.44	1,188.62
12"	1,579.95	2,039.82	2,126.51	2,222.20